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THE WATERLOO TRUST AND SAVINGS COMPANY  
ANNUAL REPORT 1966

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54th ANNUAL REPORT, DECEMBER 31st, 1966

HIGHLIGHTS

	<u>1966</u>	<u>1965</u>	<u>Increase</u>
Total Business under Administration .....	\$ 240,525,000	\$ 218,029,000	\$ 22,496,000
Savings Deposits .....	68,608,000	67,638,000	970,000
Guaranteed Investment Certificates .....	85,731,000	70,216,000	15,515,000
Estates, Trusts and Agencies .....	76,186,000	71,829,000	4,357,000
Capital Funds .....	8,580,000	7,237,000	1,343,000
Net Profits .....	490,000	459,000	31,000
Net Profits Per Common Share .....	0.74	0.70	0.04
Dividends Declared Per Common Share .....	0.52½	0.50	0.02½



# THE WATERLOO TRUST AND SAVINGS COMPANY

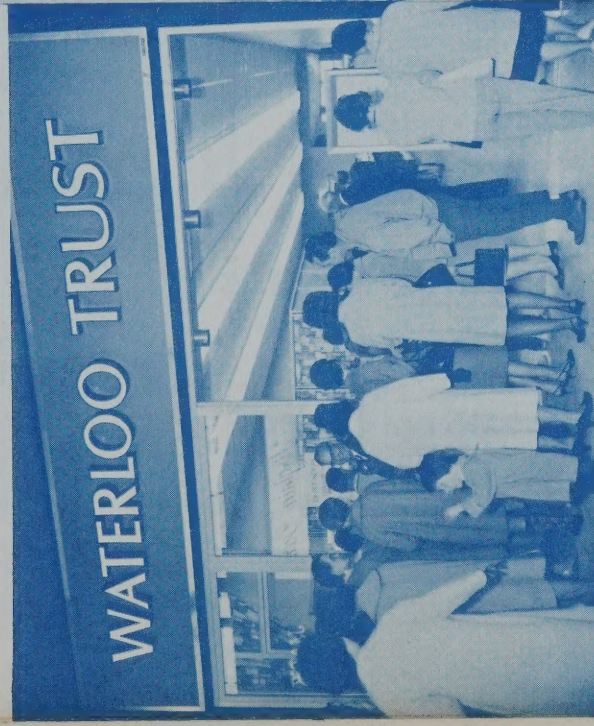
AR40

## BOARD OF DIRECTORS

- \* W. A. BEAN, C.B.E., Waterloo  
President and General Manager
- G. M. BRAY, Q.C., Kitchener  
Bray, Schofield, Mackay and Kelly
- D. W. BROWN, Kitchener  
President, General Spring Products Limited
- GEORGE H. DOBBIE, Galt  
President, The Dobbie Industries Limited
- W. W. FOOT, Waterloo  
President and General Manager,  
The Economical Mutual Insurance Company
- W. HOWARD HEMPHILL, Stratford  
President and General Manager,  
Imperial Furniture Mfg. Co. Limited
- \* P. R. HILBORN, Preston  
Vice-President — Director of  
The Equitable Life Insurance Company of Canada
- H. S. MATTHEWS, Guelph
- \* H. L. McCULLOCH, Galt  
Vice-President — Chairman of the Board of  
Babcock-Wilcox & Goldie-McCulloch Limited
- W. J. MCGIBBON, Q.C., Waterloo  
McGibbon, Harper and Haney
- D. MCINTOSH, Galt  
President and Managing Director,  
Gore Mutual Insurance Company
- JOHN E. MOTZ, Kitchener  
President, Kitchener-Waterloo Record Limited
- C. A. POLLOCK, Kitchener  
President, Dominion Electrohome Industries Limited
- G. ERNEST ROBERTSON, Guelph  
Vice-Chairman of the Board, Sangamo Company Limited
- E. G. SCHAFER, Kitchener  
President, The Dominion Life Assurance Company
- \* J. W. SCOTT, Kitchener  
Chairman of the Board
- J. E. F. SEAGRAM, Waterloo  
President, Joseph E. Seagram & Sons Limited
- T. B. SEAGRAM, Waterloo  
Managing Director, Canada Barrels & Kegs Limited
- \* J. K. SIMS, Q.C., Kitchener  
Sims, Bauer, Sims and Giffen
- M. J. SMITH, Waterloo  
President,  
The Equitable Life Insurance Company of Canada
- A. S. UPTON, Kitchener  
Director, The Dominion Life Assurance Company
- C. N. WEBER, Kitchener  
President, C. N. Weber Limited
- P. V. WILSON, Waterloo  
Honorary President — Director of  
The Waterloo Mutual Insurance Company
- \* Member of the Executive Committee

## EXECUTIVE OFFICERS

- J. W. SCOTT, Chairman of the Board
- W. A. BEAN, C.B.E., President and General Manager
- P. R. HILBORN, Vice-President
- H. L. McCULLOCH, Vice-President
- F. M. HEARN, Deputy General Manager
- R. W. AUGER, Assistant General Manager—  
Estates and Trusts
- M. L. LAHN, Treasurer



This picture shows some of the more than 15,000 people who visited our new Fairview Park Office which was opened in April, 1966. This new office has proved most successful and already compares in volume of business with some of our other offices. A feature of the Fairview Park office, which might be of interest to shareholders, is the longer office hours — till 8:00 p.m. Thursdays and Fridays, and open all day Saturday till 4:30 p.m.

WATERLOO TRUST



SEMI-ANNUAL REPORT / JUNE 30, 1966

HEAD OFFICE: 305 KING STREET WEST, KITCHENER



# THE WATERLOO TRUST AND SAVINGS COMPANY

## TO OUR SHAREHOLDERS

Business under Administration and Net Profits after taxes reached new high levels during the first six months of 1966. Guaranteed Funds, that is all types of Savings including Guaranteed Investment Certificates, increased by \$8,750,000 during the period and now amount to \$146,600,000. Estate, Trust and Agency business at \$74,280,000 is some \$2,500,000 larger than at December 31, 1965. Total Business under Administration exceeds \$230,000,000.

Your Company has made good progress during a period of rapidly changing conditions. Business at the new branch, opened in April at the Fairview Park Shopping Centre, Kitchener, has far exceeded expectations. Mortgage loans have increased by over \$5,000,000 to \$85,600,000 and cash and securities by some \$4,000,000 to \$67,600,000.

The following Comparative Statement of Earnings and Undivided Profits is subject to audit and year-end adjustments.

	1966	1965
Revenue for the period, after interest on Guaranteed Trust Account and provision for Investment Reserves and Contingencies	\$ 1,825,000	\$ 1,710,000
Operating Expenses	1,098,000	981,000
Provision for Depreciation of Office Premises and Equipment	60,000	65,000
Addition to Mortgage Reserve	138,000	125,000
Profits Before Income Taxes	1,296,000	1,171,000
Provision for Income Taxes	529,000	539,000
	289,000	308,000
Net Profits Available for Distribution	240,000	231,000
Dividends Declared During Period	165,000	148,500
Undivided Profits, January 1st	75,000	82,500
	137,000	108,000
Undivided Profits, June 30th	\$ 212,000	\$ 190,500

Profit margins have decreased slightly due to the higher interest rates being paid on funds from the public and the constantly increasing costs of operation. Every effort is being made to control costs and as a part of this program, as well as to provide better customer service, an On-Line Savings System based upon an IBM 360 computer has been ordered for delivery a year hence. This will be the first installation of its type in Canada.

Although the various assets of the Company are in excellent condition, provision for additions to the Mortgage Reserve has been increased as has that for the tax paid Internal Investment Reserve of the Company.

It is too early to assess the possible effect upon our industry of the proposed changes in the federal legislation relating to banks and banking. The possibility of deposit insurance is interesting and should prove a successful method of obtaining uniform supervision of most trust companies in Canada. In any event, as pointed out in the report of the Royal Commission on Banking and Finance, trust companies have been particularly successful in adapting their business to changing conditions. There is no doubt but that this will continue to be a feature of our operations and one may be confident of the continuing success of the Company.

In a continuing effort to provide more and more timely information to shareholders, customers and staff, this Semi-Annual Report follows the practice begun a year ago and these reports are now on a regular basis.



W. A. BEAN, C.B.E.  
President and General Manager



J. W. SCOTT  
Chairman of the Board

July 20, 1966

*W. A. Bean*

*J. W. Scott*



## THE WATERLOO TRUST AND SAVINGS COMPANY

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President and General Manager, General Spring  
Products Limited

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President, The Dobbie Industries Limited

W. W. FOOT, Waterloo  
President and General Manager, The Economical  
Mutual Insurance Company

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of Canada

KENNETH R. MACGREGOR, F.S.A.  
President, The Mutual Life Assurance Company  
of Canada

H. S. MATTHEWS, Guelph

\* H. L. McCULLOCH, Galt  
Vice-President,  
Chairman of the Board, Gore Mutual Insurance  
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\* Member of the Executive Committee





W. A. Bean, C.B.E.

## THE WATERLOO TRUST AND SAVINGS COMPANY

### REPORT OF THE PRESIDENT AND GENERAL MANAGER

To the Shareholders, Staff and Customers:

For many years the Company, conscious of the need for informing not only the shareholders but the staff, the customers and indeed the general public to whom our services are offered, about its financial position, has given wide distribution to the Annual Statement. Not only is this report made available in our offices and to the press, but it is reviewed with all our employees and a simplified version sent to all householders in the area served by the Company. In this way it has been possible to establish the tremendous confidence in the Company which exists among its 75,000 Depositors, 20,000 Guaranteed Investment Certificate holders and many thousands of others who invest in or use the Christmas and Vacation Clubs, Savings Certificates, Investment Funds, Retirement Savings Plans, Investment Agencies, and those served by the Estates and Trusts Department. It is our intention to continue and to broaden this practice so that as many as possible may be aware of the strength and progress which is characteristic of the Waterloo Trust. Therefore, addressing this report to the shareholders, staff and customers, does not represent a change in policy but simply a recognition of what has been practised for many years.

The Company shared fully in the economic growth in Canada and this area in particular, during 1966. Total business under administration at December 31, 1966, amounted to \$240,525,000, a gain of practically \$22,500,000 for the year. These are substantial figures for a Company doing business in a limited geographic area and are indicative not only of the popularity of our services but the vigorous growth which is taking place in this part of Canada.

Savings totals, including demand and term deposits of all types, increased by \$16,484,000 during the year to \$154,338,000. This growth was greater than that in 1965 and only very slightly less than the record increase of 1964. With the high rates of interest being paid on Guaranteed Investment Certificates relative to those paid on other types of savings, most of the

dollar increase was in the former. However, as evidence of the steadily growing popularity of all of the Company's savings services, the number of new accounts opened during 1966, in every type of savings, far exceeded that of any previous year. A few months ago, recognizing the demand for a savings vehicle which would permit the small saver, particularly of the younger generation, to invest funds in relatively small amounts on a term basis, but with cashing privileges, our new Savings Certificates were introduced. These are proving increasingly popular. In April the Fairview Park Branch, which is essentially a savings office, was opened in the Fairview Park Shopping Centre in the south end of Kitchener. This is an air-conditioned mall type of centre and much the largest in the area. Business in the new branch has far exceeded expectations and it should become increasingly busy with the current enlargement of the centre. As suitable opportunities arise additional branches will be opened and there are tentative plans for one new branch office in 1967.

Your Company continues to be in a very strong financial position. It will be seen from the statement that security holdings and demand loans against securities, which include \$35,000,000 of Government bonds, totalled \$71,665,000 which is \$3,000,000 more than Savings Deposits of \$68,607,000 for a liquidity ratio of 104%. During the year higher standards of liquidity for trust companies were incorporated in the Ontario Loan and Trust Corporations Act and you will be glad to know that these standards have been exceeded by a very wide margin. All securities owned by the Company are sound and none are in default. In 1966 interest rates rose to the highest levels seen in this generation and as a result bond prices declined severely. However, due to the high percentage of short term securities held, the effects upon the Company's portfolio were minimized and the Internal Investment Reserve, established primarily as a protection against this type of fluctuation in security prices, was sufficient to offset almost entirely the decline in market values of securities. It is interesting



to note that the improvement in the bond market which has taken place since December 31st has already had the effect of raising the market value of the whole portfolio to the point where it now exceeds amortized cost less the Investment Reserve. Throughout the period of demoralized bond markets the Company's excellent liquid condition has enabled it to increase its holdings of high grade bonds at very attractive yields.

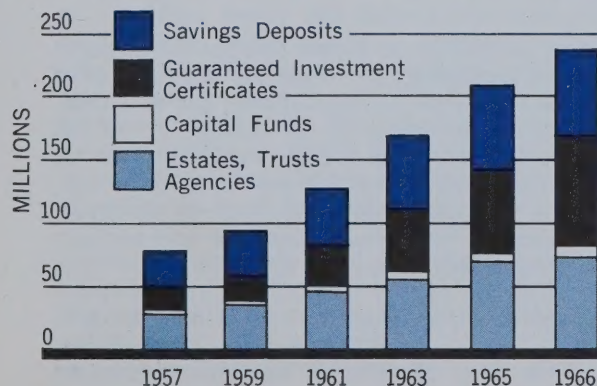
Mortgage lending in 1966 was on a somewhat larger scale than in 1965 and over \$19,000,000 of conventional first mortgage loans were accepted. In this way more than 1,200 borrowers, mostly in this area, were assisted in the building or purchase of homes. At December 31, 1966, mortgage loans of this type amounted to some \$62,000,000, an increase of \$10,858,000 during the year. All these loans are on a conservative basis, the average amount being under \$12,000, and the vast majority are secured by single family residential properties located in communities within a one hundred mile radius of our Head Office. Collections are excellent and interest arrears close to an all time low. Once again no losses were experienced during the year. In addition to the conventional loans, \$28,791,000 of National Housing Act guaranteed mortgages are held, an amount some \$500,000 less than a year ago, as few loans of this type were taken in 1966 due to the relatively unattractive rate of interest. The change in policy under which the Canadian Government has established, for National Housing Act loans, a floating interest rate which is tied to the price of Government of Canada bonds is constructive, and should tend to attract a more constant volume of institutional funds to this type of loan. It is difficult to assess the effect of the proposed entry of the chartered banks into the mortgage lending business. However, with the shortage of housing which exists in many parts of Canada and the increased housing requirements arising from the growing number of family formations anticipated in the next few years, it would seem that the demand for mortgage funds will be sufficient to satisfy the requirements of all lending institutions, including the chartered banks, for the immediate future.

1966 was an exceptionally active year for the Estates, Trusts and Agencies Department and business under administration at the year-end amounted to \$76,186,000. However, the net increase in business for the year was \$4,357,000 as compared with almost \$10,000,000 in 1965. In some respects this is a poor way to measure progress as it is a trustee's responsibility to husband and distribute various types of property, not to retain them indefinitely. Therefore, it is interesting to note that the administration of \$26,833,000 of business was undertaken in 1966, over \$3,000,000 more than in 1965, but \$22,477,000 was distributed which is \$8,576,000 more than in 1965. In other words, the total volume of business done increased by over \$11,500,000 or 30% during the year. Again, demonstrating the growth of the estates business is the increase of 40% in the dollar volume of new estates and over 50% in new investment agencies in 1966 over that in 1965. As expected, corporate pension fund business was adversely affected by the introduction of the Canada Pension Plan, which led to "once only" withdrawals of over \$4,000,000 from pension and profit sharing plans administered by the Company. As the experience of many other trust and life insurance companies was similar, distributions of this type must have added considerably to the problem of inflation during the year. Other types of Investment Funds and Individual Retirement Savings Plans continue to increase in popularity and at the end of the year the dollar volume of these exceeded \$3,500,000. Due to the relatively high level of market prices for common stocks the Company's Equity Investment Fund was not actively promoted until late in 1966. However, it has had an excellent record and as a "no load" type of fund in which the only fee is for administration, it is an ideal way for the small investor to participate in equities. The Fixed Income Fund at the year end was yielding the high rate of 6.10%.

The Estates, Trusts and Agencies Department is a very important part of the Company's business and is staffed by officers with a wealth of experience. They are responsible for the administration of over 650 estates and testamentary trusts and close to 300 agencies in addition to the various investment and retirement savings funds in which over 1,400 individuals participate. More and more people are becoming aware of the advantages of corporate executorship and management of their affairs. The number of wills on file, in which the Company is named executor, is increasing steadily, as is the number of people who consult with our officers on the complex problem of estates planning, usually in conjunction with their solicitor and frequently with other professional advisors such as their accountant and life insurance agent.

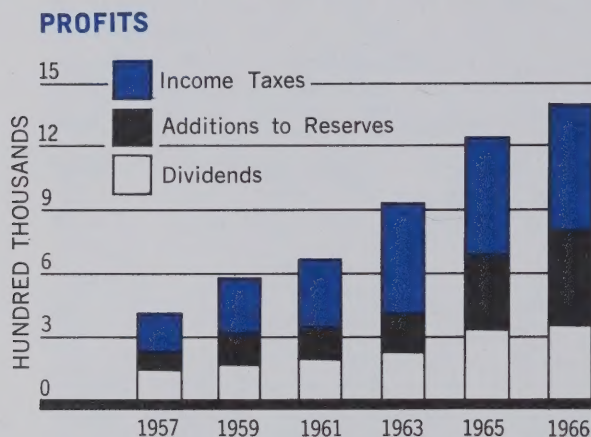
The Company's other departments serving the public, Real Estate and Investment Securities were both very active during the year. Sales of

#### TOTAL BUSINESS UNDER ADMINISTRATION





Canada Savings Bonds were at an all time high and over \$6,000,000 of the 1966 Series have been issued through the Company's offices. A sizeable amount of this came from savings accounts with the Company, thus adversely affecting the Company's growth in that area. No changes were made in the Company's properties this year except to the leased premises at the Fairview Park Branch.



Revenue for the year, after providing for interest on Deposits and Guaranteed Investment Certificates in the amount of over \$6,300,000, and for additions to the Internal Investment Reserve on a slightly higher scale than in 1965, amounted to \$3,673,290. This represented an increase of \$260,000 over last year and it would have been considerably greater but for the rapid increase in interest rates. Operating expenses at \$2,201,000 rose \$212,000 primarily due to the impact of higher salary scales and the operation of an additional branch. The maximum additions allowable under the Income Tax Act were made to the Mortgage Reserve in the amount of \$309,000 bringing it to \$1,142,000 and to the Depreciation Reserve in the amount of \$106,000. Profits before taxes were \$1,056,707 and after taxes on earnings of \$567,000, the Net Profit amounted to \$489,707, an increase of \$30,000 or 6½% over 1965. Income taxes were slightly lower due largely to more income earned in the form of dividends. The Net Profit was the equivalent of 74¢ per common share, (72¢ after allowing for the proper proportion of the February 1, 1967, preference dividend declared this month) an increase of 4½¢ per share for the year. Dividends at the higher rate of 52½¢ amounting to \$346,500 were declared and paid during 1966. The balance of Net Profit, \$143,207, was transferred to General Reserve along with \$56,793 from Undivided Profits, a total of \$200,000, bringing this reserve to \$4,000,000.

The average earning rate on investments increased from 6% to 6.12% during the year and the full benefit of higher yielding investments made in 1966 will be reflected in 1967. Moreover, earnings from Estates, Trusts and Agencies and other departments should continue their

gradual increase. Therefore, the outlook for further improvement in profit for 1967 is encouraging in spite of the continuing upward trend in costs.

The changes in capitalization approved by The Special General Meeting of Shareholders on September 8th, 1966 and confirmed by the Lieutenant-Governor of Ontario in Council, under which the Capital Stock was changed to Common Stock and 240,000 unissued \$5.00 par value shares were converted to 60,000, \$20 par value Preference Shares are reflected in the balance sheet. All of the Preference Shares, being Series A Cumulative Redeemable Convertible 6% shares, were sold at \$20 per share for a total of \$1,200,000 through the issue of subscription rights to holders of common stock. The issue was most successful and it is now selling at a premium of over 5%. Under the terms of the By-law passed at the 1966 Annual Shareholders' Meeting, options were granted to employees to purchase 7970 shares of common stock at \$19.00 per share. No options have been exercised to date and those on 290 shares have lapsed, leaving 7680 shares under option at December 31, 1966. As almost all of the Company's authorized capital is now outstanding or allocated for the conversion of preference shares and the Employees Stock Option Plan, action with respect to increasing the Company's authorized capital should be taken later this year in time for consideration by the shareholders at the 1968 Annual Meeting, in order to provide for future growth.

At December 31, 1966, the Company's paid-up Capital Stock, Preference and Common, amounted to \$4,500,000, the General Reserve, \$4,000,000 and Undivided Profits, \$80,277, a total of \$8,580,277. In addition, the Mortgage Reserve amounted to \$1,142,000 and the Company has very substantial Internal Reserves held primarily against fluctuations in the market prices of securities held. The Company's reserves are being steadily increased and while this reduces the amounts available for dividends, it assists in meeting the capital requirements arising from steady growth. The Company is in an excellent financial position, the result of the conservative policy which has been characteristic of the Waterloo Trust for many years.

It is a pleasure to report that the Company is making good progress toward the introduction of its IBM On-Line Savings system late this summer. Many operations for the Estates, Trusts and Agencies Department are already being done on a similar computer on a lease basis. The Company is very conscious of the need for the greatest efficiency in its operations, not only because of rising salary costs, but for competitive reasons. Progress is only possible through providing the best of service, and the new system will provide many new attractive features, at the lowest possible cost. In spite of the initial problems



involved with any new system, this will undoubtedly be a major step forward for the Company.

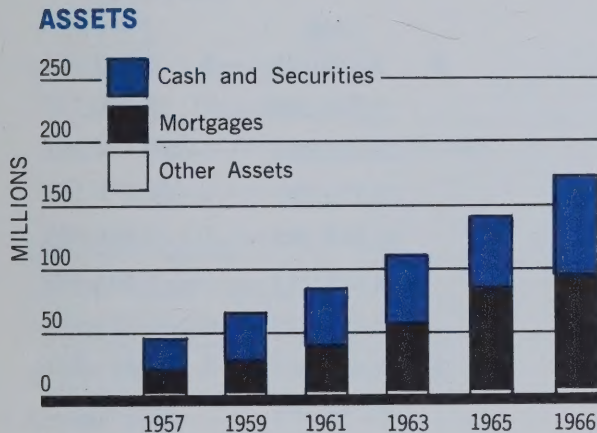
There is still a great deal of discussion in the press and in the various legislative bodies upon the subject of "near banks", their soundness and their supervision. This has been re-kindled by the recent failure of a relatively small finance company. In ordinary circumstances many trust companies might be slightly flattered to be termed a "near bank". Unfortunately, in the Porter Commission report, financial companies of all types which did any part of the business carried on by a chartered bank were grouped together under the heading of "near banks". Trust com-

sary proliferation of provincial deposit schemes and that the public will be fully aware that their best protection, in spite of any insurance scheme, will be to entrust their savings to strong, well managed institutions. Canada's trust companies have had a remarkably fine record and there is no doubt that the volume of saving, which is so important to the progress of Canada, has been and is being increased by their efforts. There are many uncertainties in the Canadian economic picture at the moment but 1967 should be a year of further growth, both for Canada and your Company.

During 1966 the Company suffered the loss of one of its most highly valued and esteemed members of the Board of Directors through the death of Edward A. Rieder. He will be greatly missed. The vacancy on the Board was filled by the appointment of Kenneth R. MacGregor, F.S.A., who succeeded Mr. Rieder as the President of The Mutual Life Assurance Company of Canada. For many years Mr. MacGregor was the Superintendent of Insurance for Canada and as such, responsible for the supervision of all federally incorporated trust companies. His extensive knowledge of the business will be of great value to the Company and his acceptance of the appointment is a clear indication of his satisfaction as to the soundness of the Company's position. The Waterloo Trust is fortunate in having a strong Board of Directors who take an intense and active interest in its affairs. It is a source of great strength to your President and other officers of the Company to have the benefit of their advice.

The Chairman of the Board and all Directors join me in expressing thanks to the loyal and efficient staff whose efforts have led to the achievements of 1966 and will undoubtedly lead to further progress in the years ahead.

First reading has been given in the House of Commons to the new Canada Deposit Insurance Corporation bill under which the deposits of Canadian banks and federal trust companies are to be insured up to a limit of \$20,000. Under the bill, provincially incorporated companies may, but only with the consent of the province concerned, be included, subject to meeting certain standards. For several years the trust companies of Canada have been promoting the adoption by all jurisdictions of uniform legislation and regulation for trust companies, with rather meager results and although the present bill requires considerable clarification, nevertheless, it should prove an effective method of achieving the desired result. It is to be hoped that the provinces do not indulge in an unneces-



panies were categorized thus because they accept savings deposits, finance companies, because they lend money to the public. These two operations are as far apart as the poles, nevertheless, many people consider them to be similar types of institutions. In actual fact, trust companies are expressly forbidden to do the type of lending in which the finance companies specialize and conversely, finance companies cannot legally carry on our type of savings business. It is high time that people who should know better ceased to link the two together.

President and General Manager

Kitchener, Ontario, January 24, 1967



## THE WATERLOO TRUST AND SAVINGS COMPANY *BALANCE SHEET*

### ASSETS

	1966	1965
Cash on Hand and on Deposit .....	\$ 3,014,169	\$ 2,947,206
Secured Demand Loans and Advances .....	2,724,409	2,580,551
Government of Canada Bonds .....	20,066,291	19,734,001
Provincial Government Bonds .....	15,776,297	14,670,561
Municipal Debentures .....	12,010,388	12,096,603
Corporation Bonds .....	14,500,713	8,631,405
Preferred and Common Stocks .....	3,572,816	3,181,316
	\$ 71,665,083	\$ 63,841,643
N. H. A. Mortgages .....	28,791,141	29,312,125
Conventional Mortgages .....	61,996,661	51,137,736
Office Premises and Equipment, less Accumulated Depreciation of \$1,258,118 - 1966 .....	1,852,212	1,896,684
Other Assets .....	12,959	11,122
5% Special Refundable Tax .....	21,000	—
	<u>\$ 164,339,056</u>	<u>\$ 146,199,310</u>

NOTE: Canadian and Provincial Government Bonds are carried at amortized cost, other securities are carried at cost less reserves, and the aggregate is substantially the same as quoted market values.

### TOTAL BUSINESS UNDER ADMINISTRATION

Estates, Trusts and Agencies—Cash, Securities and other Assets .....	\$ 76,186,048	\$ 71,829,345
Capital and Guaranteed Trust Account Assets .....	164,339,056	146,199,310
	<u>\$ 240,525,104</u>	<u>\$ 218,028,655</u>

Attested: J. W. SCOTT, Chairman

W. A. BEAN, C.B.E., President and General Manager



## LIABILITIES

	<u>1966</u>	<u>1965</u>
Guaranteed Trust Account		
Savings Deposits .....	\$ 68,607,647	\$ 67,638,455
Guaranteed Investment Certificates .....	85,731,101	70,215,801
	<u>\$ 154,338,748</u>	<u>\$ 137,854,256</u>
Dividend Payable .....	99,000	99,000
Income Taxes Payable .....	179,031	175,984
Mortgage Reserve .....	1,142,000	833,000
<b>CAPITAL</b>	<u>\$ 155,758,779</u>	<u>\$ 138,962,240</u>
Capital Stock		
Authorized —		
60,000 preference shares of \$20 par value		
760,000 common shares of \$5 par value		
Issued and fully paid —		
60,000 6% cumulative, redeemable convertible		
preference shares, series A .....	\$ 1,200,000	\$ —
660,000 common shares .....	3,300,000	3,300,000
General Reserve .....	4,000,000	3,800,000
Undivided Profits .....	80,277	137,070
	<u>\$ 8,580,277</u>	<u>\$ 7,237,070</u>
	<u>\$ 164,339,056</u>	<u>\$ 146,199,310</u>

NOTE: 60,000 unissued common shares are reserved for the right of conversion attaching to the preference shares and 39,710 unissued common shares are reserved for employee stock options of which 7,680 are outstanding at \$19.00 per share.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Balance Sheet of The Waterloo Trust and Savings Company as at December 31st, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Trust Account and for Estates, Trusts and Agencies are kept separate from the Company's own assets and are so designated on the books of the Company as to show the accounts to which they belong.

In our opinion the accompanying Balance Sheet presents fairly the financial position of the Company as at December 31st, 1966.

KITCHENER, January 20th, 1967.

CLARKSON, GORDON & CO.  
Chartered Accountants

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*Transactions within scope of powers? - said & rec verified*



## THE WATERLOO TRUST AND SAVINGS COMPANY

### STATEMENT OF UNDIVIDED PROFITS

	<u>1966</u>	<u>1965</u>
Revenue for the year after interest on Guaranteed Trust Account and provision for Investment Reserves and Contingencies .....	\$ 3,673,290	\$ 3,410,824
Operating Expenses .....	\$ 2,201,583	\$ 1,989,009
Provision for Depreciation of Office Premises and Equipment .....	106,000	130,000
Addition to Mortgage Reserve .....	309,000	254,000
	<u>\$ 2,616,583</u>	<u>\$ 2,373,009</u>
Profits before Income Taxes .....	1,056,707	\$ 1,037,815
Provision for Income Taxes .....	567,000	578,500
Net Profits available for distribution .....	\$ 489,707	\$ 459,315
Dividends declared during year .....	346,500	330,000
(1966 — 50¢ + 2½¢ extra dividend per common share)		
	<u>\$ 143,207</u>	<u>\$ 129,315</u>
Undivided Profits, January 1st .....	137,070	107,755
	<u>\$ 280,277</u>	<u>\$ 237,070</u>
Transferred to General Reserve .....	200,000	100,000
Undivided Profits, December 31st .....	<u>\$ 80,277</u>	<u>\$ 137,070</u>

### STATEMENT OF GENERAL RESERVE

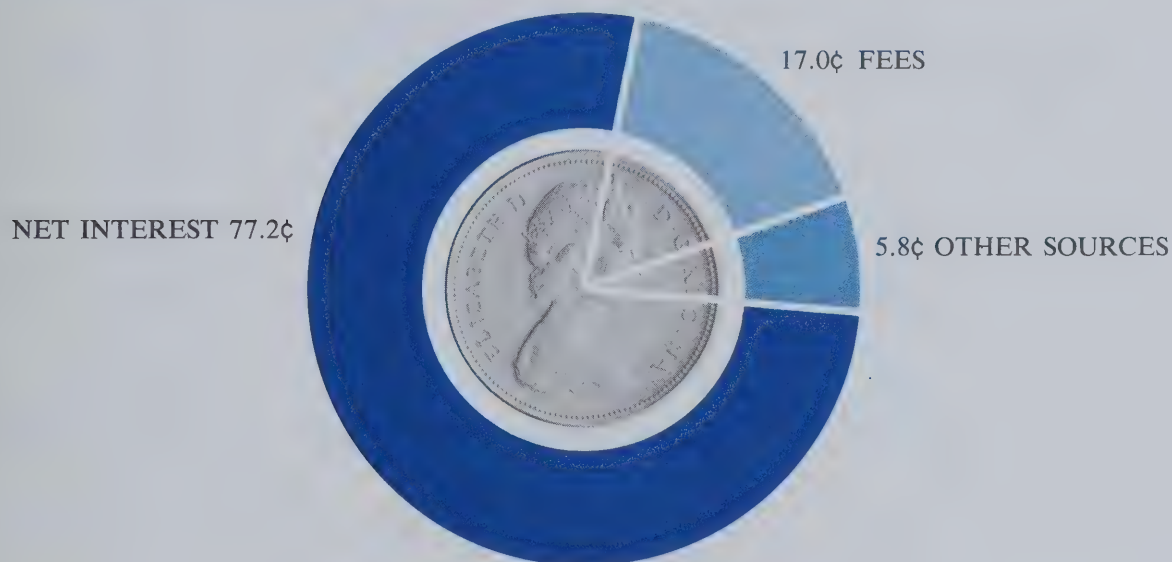
	<u>1966</u>	<u>1965</u>
General Reserve, January 1st .....	\$ 3,800,000	\$ 3,700,000
Transferred from Undivided Profits .....	200,000	100,000
General Reserve, December 31st .....	<u>\$ 4,000,000</u>	<u>\$ 3,800,000</u>





Opening day at Fairview Park Office  
April 1966

#### SOURCES OF THE COMPANY'S INCOME DOLLAR 1966.



#### DISPOSITION OF THE COMPANY'S INCOME DOLLAR 1966.\*

\* After making transfers to Inner Investment Reserves.





## THE WATERLOO TRUST AND SAVINGS COMPANY

### TEN YEAR COMPARATIVE SUMMARY

<i>December 31st</i>	<b>1966</b>	<i>1965</i>	<i>1964</i>	<i>1963</i>
Savings Deposits .....	<b>\$ 68,608,000</b>	<i>\$ 67,638,000</i>	<i>\$ 62,794,000</i>	<i>\$ 54,653,000</i>
Guaranteed Investment Certificates ...	<b>85,731,000</b>	<i>70,216,000</i>	<i>59,071,000</i>	<i>50,265,000</i>
Capital Funds .....	<b>8,580,000</b>	<i>7,237,000</i>	<i>7,107,000</i>	<i>6,892,000</i>
Estates, Trusts and Agencies .....	<b>76,186,000</b>	<i>71,829,000</i>	<i>62,141,000</i>	<i>54,191,000</i>
Total Business Under Administration .....	<b>240,525,000</b>	<i>218,029,000</i>	<i>191,860,000</i>	<i>166,784,000</i>
<i>Total for Year Ended December 31st</i>				
Profits before income taxes .....	<b>\$ 1,056,707</b>	<i>\$ 1,037,815</i>	<i>\$ *935,982</i>	<i>\$ 838,364</i>
Income Taxes .....	<b>567,000</b>	<i>578,500</i>	<i>*414,000</i>	<i>507,000</i>
Net Profits .....	<b>489,707</b>	<i>459,315</i>	<i>421,982</i>	<i>331,364</i>
Dividends Declared .....	<b>346,500</b>	<i>330,000</i>	<i>296,348</i>	<i>223,435</i>
<i>Per Common Share</i>				
Based on the following number of shares outstanding	<b>660,000</b>	<i>660,000</i>	<i>660,000</i>	<i>550,000</i>
Net Profits .....	<b>.74</b>	<i>.70</i>	<i>.64</i>	<i>.60</i>
Dividends Declared .....	<b>.52½</b>	<i>.50</i>	<i>.45</i>	<i>.41</i>

*\*During 1964, income taxes otherwise payable were reduced by \$134,000 due to a special past service contribution to the Pension Plan (1964) of \$100,000 from 1964 earnings and \$157,000 from pension reserves established in prior years.*



1962	1961	1960	1959	1958	1957
\$ 47,292,000	\$ 42,694,000	\$ 37,315,000	\$ 34,552,000	\$ 33,746,000	\$ 29,149,000
43,928,000	34,517,000	28,444,000	21,468,000	17,691,000	15,216,000
5,362,000	4,854,000	4,204,000	4,100,000	4,000,000	3,925,000
49,264,000	44,638,000	40,212,000	35,931,000	32,043,000	29,757,000
146,515,000	127,228,000	110,625,000	96,422,000	87,766,000	78,281,000
\$ 749,282	\$ 609,664	\$ 546,427	\$ 528,381	\$ 454,137	\$ 379,615
432,000	322,000	264,500	253,400	203,800	167,000
317,282	287,664	281,927	274,981	250,337	212,615
209,687	187,500	178,125	175,000	175,000	148,462
550,000	500,000	500,000	500,000	500,000	500,000
.58	.58	.56	.55	.50	.43
.38	.37	.36	.35	.35	.31



## THE WATERLOO TRUST AND SAVINGS COMPANY

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### EXECUTIVE OFFICERS

J. W. SCOTT, *Chairman of the Board*  
P. R. HILBORN, *Vice-President*  
F. M. HEARN, *Deputy General Manager*

W. A. BEAN, C.B.E., *President and General Manager*  
H. L. McCULLOCH, *Vice-President*  
R. W. AUGER, *Assistant General Manager, Estates and Trusts*

### DEPARTMENTAL MANAGERS AND OFFICERS

M. L. LAHN, *Treasurer*  
H. C. SHANTZ, *Manager, Mortgage Dept.*  
*Assistant Treasurer*  
H. P. VOGT, *Manager, Mortgage Administration*  
J. T. HILL, C.A., *Assistant Treasurer*  
R. C. DAHMER, C.A., *Comptroller*  
B. L. KLAHN, *Chief Accountant*

D. G. STATTERS, *Savings Superintendent*  
A. M. WILSON, *Manager, Business Development*  
MRS. G. S. HALL, *Public Relations Officer*  
J. D. COLEMAN, *Legal Officer*  
H. A. HENRICH, *Manager, Real Estate Department*  
C. T. GRAHAM, *Manager, Investment Securities*

### ESTATES AND TRUSTS DEPARTMENT

H. A. SYER, *Manager*  
C. J. REMPEL, *Assistant Manager*  
L. S. O'BRIAN, *Personal Trust Officer*  
J. H. ENNS, *Corporate Trust Officer*  
J. L. DORAN, C.A., *Accounting Supervisor*

*Trust Officers:*  
H. G. GORDON  
H. H. GOULD  
J. R. GUY  
J. R. HERMAN  
I. M. MARR

### OFFICES

*HEAD OFFICE - King and Water Streets, Kitchener*

#### KITCHENER

*HEAD OFFICE, Savings Department*  
R. T. PANABAKER, *Manager*  
*KING & ONTARIO, 69 King Street West*  
W. J. D. STEWART, *Manager*  
*WESTMOUNT, 693 Belmont Boulevard*  
C. W. STUART, *Manager*  
*FOREST HILL, 421 Greenbrook Drive*  
J. W. LITTLE, *Manager*  
*FAIRVIEW PARK, Fairway Road*  
J. R. WILKEN, *Manager*

*WATERLOO, 8 Erb Street West*  
G. T. VOGT, *Manager*

#### GALT, 44 Main Street

J. T. OSBOURNE, *Manager*  
A. H. PARSONS, *Manager, Mortgage and Real Estate*  
D. S. BARRIE, *Trust Officer*

*PRESTON, 602 King Street East*  
W. L. KNIGHT, *Manager*

*ELMIRA, 57 Arthur Street*  
E. S. GASCHO, *Manager*

*GUELPH, 118 Wyndham Street*  
W. L. McCORD, *Manager*



## THE WATERLOO TRUST AND SAVINGS COMPANY

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We are listing below our financial and trust services. By using them, you receive professional and experienced help in looking after your money, property, investments, and the future of both your family and yourself. As a shareholder of the company, you will want to use our services whenever possible and also recommend them to your friends and business associates.

### SAVINGS ACCOUNTS

— 3½% interest on minimum half-yearly balances. Liberal chequing. Postage free deposit-by-mail facilities.

### DEPOSIT ACCOUNTS

— 4% interest on minimum monthly balances, credited half-yearly. Withdrawals in person on presentation of passbook.

### SAVINGS CERTIFICATES

— A certificate costing \$7.30 increases in value to \$10 in six years. May be cashed at any time. Available in amounts to \$50,000.

### GUARANTEED INVESTMENT CERTIFICATES

— 6% interest paid currently on \$100 or more for terms of 1 to 5 years. Other terms at varying rates. A legal investment for trust funds.

### ESTATE PLANNING

— Sound estate and will planning ensures minimal succession duties and gift and estate taxes.

### INVESTMENT AGENCIES AND LIVING TRUSTS

— Expert supervision and management of your investment portfolio.

### ESTATES ADMINISTRATION

— A corporate executor provides permanency, group judgment, experience, and many other advantages at no extra cost.

### PERSONAL RETIREMENT SAVINGS PLANS

— An ideal way to save for pension income, while reducing current income taxes.

### INVESTMENT FUNDS

— Either equity or fixed income funds. No loading charge in the form of acquisition or withdrawal fees.

### COMPANY PENSION AND PROFIT-SHARING PLANS

### TRUSTEE AND TRANSFER AGENT

— Trustee for bond issues and transfer agent for stock issues.

### REAL ESTATE

— To help you buy, sell, lease, or appraise, or manage real estate.

### MORTGAGES

— Loans on residential property to purchase, build, renovate, or for other purposes.

### INVESTMENT SECURITIES

— Securities bought and sold. Statistical information available.

### CHRISTMAS AND VACATION CLUBS

— Accumulate funds for Christmas, vacation, or special goals.

### SAFE DEPOSIT BOXES

### SAFEKEEPING SERVICES

### COLLATERAL LOANS

### TRAVELLERS' CHEQUES



